

## LNF & IHCIF Calculations Illustration

### - Kickapoo of KS in Oklahoma area -

#### Given Data

- 587 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 90% = % Expenditures on purchased services, 10% = % expenditures in-house
- 93.1% = Cost index for purchasing health care in this geographic area
- 135.7% = Size cost index for in-house costs due to small or large size
- 96.9% = Oklahoma area cost index for health status above or below average

#### Cost Adjustment Calculations

- \$2,497 per person for purchased services =  $90\% * 93.1\% * \$2,980$
- \$404 per person for in-house services =  $10\% * 135.7\% * \$2,980$
- \$2,902 per person total =  $\$2,497$  (purchase) +  $\$404$  (in-house)
- **\$2,813 per person total** adjusted for health status =  $\$2,902 * 96.9\%$
- **\$2,068 per person net cost** =  $\$2,813 - \$745$  Other resources (M&M&PI)

#### Existing Expenditures (for 587 users excluding wrap-around and collections)

- \$1,513 per person = local IHS allowance (excludes \$ for wrap-around)
- \$77 per person = expenditures elsewhere in Oklahoma area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,644 per person for OU users** =  $\$1,513 + \$77 + \$54$

#### LNF Calculation

- **58.5% Gross LNF** =  $\$1,644$  (expenditures) /  $\$2,813$  total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **79.5% Net LNF** =  $\$1,644 / \$2,068$  net cost ( $\$2,813 - \$745$  other)

#### IHCIF Allocation

- \$0 = \$ to raise LNF% from 79.5% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction =  $\$9,000,000$  fund /  $\$258,040,100$  needed
- **\$0 Allocation** = \$0 needed for 60% \* 3.488% IHCIF fraction

#### Kickapoo of KS Unmet Needs

- **\$1,213,765 Net Total Need** = 587 users \*  $\$2,068$  net cost
- **\$248,591 Net Unmet Need** =  $(100\% - 79.5\% \text{ LNF}) * 587 \text{ users} * \$2,068$  net cost